

General Conditions of Purchase (GPC) of Hägele GmbH

1. General information

1.1 In addition to the individually negotiated contractual agreements, the following shall apply to all business transactions between us, the

Hägele GmbH

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and our suppliers or their contractors (hereinafter jointly referred to as "**Supplier**") these General Terms and Conditions of Purchase (hereinafter also referred to as "**GPC**") In the case of permanent business relations or framework agreements, these GPC shall also apply to all future supply relations until our new GPC become valid. The supplier expresses his agreement with our terms and conditions at the latest by delivering the goods. No other general terms and conditions of business, shipping or delivery shall be recognized either by an order confirmation of the supplier or by the unconditional acceptance of deliveries or services or their payment by us.

1.2 Individual agreements made with the Supplier in individual cases (including collateral agreements, supplements and amendments) shall in any case take precedence over these GPCs.

1.3 These GPCs shall apply exclusively to entrepreneurs within the meaning of § 14 BGB (German Civil Code), legal entities under public law or special funds under public law, cf. § 310 para. 1 BGB.

2. Offer

In the offer, deviations from the inquiry must be expressly pointed out. The supplier shall be bound by his offer for at least one month. The prices shall be quoted in EUR plus the statutory value added tax applicable on the day of delivery, carriage paid, including packaging and insurance. At our request, prices in other currencies, plus the statutory value added tax applicable on the day of delivery, can also be shown free domicile, including packaging and insurance.

3. Order

3.1 The supplier undertakes to answer orders within 7 working days and to send an order confirmation upon acceptance. Orders that have not been confirmed or rejected shall be deemed accepted after 7 working days.

3.2 Only orders placed in text form are legally binding. All agreements made between the parties in connection with an order up to the conclusion of the contract are set out in the order form and, if applicable, in these GPC. Oral collateral agreements do not exist.

3.3 By accepting the order, the supplier acknowledges that he has informed himself about the type and execution as well as the scope of the service by inspecting the available documents. In case of obvious errors or mistakes in the inquiry, the supplier is obliged to point out these errors to us. This also applies analogously to incomplete or missing documents.

3.4 Deviations in quantity and quality compared to the text and content of our order and subsequent amendments to the contract shall only be deemed agreed upon if we have expressly confirmed them in writing.

4. Property, copyright and other protective rights

We reserve all property rights, copyrights and other industrial property rights to all drawings, tools, samples, models, brands and designs etc. which are made available to the supplier within the scope of the business relations, for example for the preparation of offers, orders or the execution of contracts. As soon as they are no longer required by the supplier, for example in the event of failure to submit an offer or after the order has been processed, we shall return them to us immediately, unsolicited and free of charge. These documents may not be made available to third parties without our written consent.

5. Delivery dates and periods, delay

5.1 Delivery dates and periods in orders and call-offs are binding. The receipt of the delivery at our works shall be decisive for compliance with periods and deadlines. Partial deliveries are only permitted by agreement with us. The supplier shall inform us immediately in writing of any difficulties that prevent him from delivering the prescribed quantity and quality on time, stating the reasons and the expected duration of the delay, and shall obtain our decision on whether to maintain the order. He shall be liable for no or late notification.

5.2 In the event of a delay in delivery, we shall be entitled to the statutory claims. A reminder and setting of a deadline are not necessary if a time according to the calendar is specified for the delivery. Any exclusion or limitation of liability of the supplier is excluded. In the event of withdrawal, we can keep partial deliveries against credit note. In case of repeated or permanent failure to meet the supplier's deadlines, we have the right to cancel the contract. In the event of non-culpable failure to meet deadlines, we have an extraordinary right of termination if the delay is considerable and the urgency of the delivery requires this due to our own deadline commitments.

5.3 If the Supplier is in default, we shall be entitled, after prior warning, to demand a contractual penalty of 1% of the net order value per week or part thereof, but no more than 15% of the net order value. Furthermore, in the event of delay, we can also/or demand delivery and/or, after the fruitless expiry of a reasonable grace period, obtain a replacement from a third party (covering purchase) and/or withdraw from the contract. The statutory provisions shall apply. The contractual penalty paid will be offset against a claim for damages.

5.4 We shall not be obliged to accept delivery before the delivery date has expired. In the event of premature delivery, we shall be entitled, at our discretion, to return the goods at the supplier's expense or to store the goods at the supplier's expense and risk.

6. Transport and transfer of risk

6.1 Delivery shall be "free domicile". Delays, additional costs as well as damages resulting from non-compliance with our shipping instructions shall be borne by the supplier. The supplier shall select the packaging specified by us and shall ensure that the packaging protects the goods from damage. If

we do not provide any specifications regarding packaging, the goods shall be packed in accordance with standard commercial practice. The supplier shall be liable for loss and damage occurring during transport, including unloading, until acceptance at our works. The supplier must therefore take out and maintain adequate transport insurance for his deliveries. If, in exceptional cases, transport costs are borne by us, the cheapest mode of shipment must be selected - taking into account transport safety.

6.2 Even if delivery ex works or shipment at our expense has been agreed upon by way of exception, the risk shall not pass until the delivery has arrived at our premises or at the agreed place of delivery.

6.3 The supplier shall be obliged to state our order number, order item, part designation, identification number and order number on all shipping documents and delivery bills. If he fails to do so, we shall not be responsible for delays in processing.

7. Prices, payment

7.1 The price stated in the order shall be the maximum price. It can be undercut but not exceeded. The prices are "free domicile" including packaging (see above). If, in exceptional cases, something else has been agreed in writing, the packaging shall be charged at cost price. In case of return, at least two thirds of the calculated value must be credited.

7.2 Invoices shall be issued separately for each order. Payment shall only be made after complete receipt of the defect-free goods or complete defect-free performance and after receipt of the invoice. This applies accordingly in the case of permissible partial deliveries. Time delays caused by incorrect or incomplete invoices shall not affect any discount periods. If a discount is granted, payment shall be made in accordance with the discount agreement from the underlying order for goods or services accepted without complaint. Decisive for this period is the day of delivery or receipt of invoice, whichever occurs last. A delay in payment by us is excluded in the case of simple negligence. In all other respects, claims for compensation shall be limited to the damages typically occurring as a result.

7.3 Claims of the supplier against us may only be assigned to third parties with our express consent. Text form is sufficient for such consent. Payments shall only be made to the supplier.

8. Quality, quality assurance

8.1 The Supplier shall comply with the recognized rules of technology and the agreed (technical) data, in particular quality regulations as well as relevant protective laws and other safety regulations. All deliveries must comply with the latest standards (DIN, EN, ISO, LN, VDE, EU etc.), works standards and the standards customary in the industry, unless otherwise expressly agreed in writing.

8.2 The supplier is obliged to maintain a quality management system based on the international standards ISO 9000 ff and ISO 9100 ff, with the obligation to set zero-defect targets and to continuously improve its performance.

8.3 The Supplier shall oblige its subcontractors to maintain a comparable quality management system (see 8.2) that ensures the defect-free condition of its purchased parts and/or externally finished parts. Details shall be regulated in the individual agreements on quality in text form between the parties. To this end, the Supplier shall conclude a quality assurance agreement with us as far as we consider it necessary.

8.4 The supplier undertakes to ensure continuous quality assurance by means of suitable tests and controls. The supplier shall document the tests and controls. We shall be entitled to satisfy ourselves of the type of quality assurance on site, if necessary also with sub-suppliers.

8.5 If deviations from specified characteristics and values occur, such products may only be delivered if the supplier has received a corresponding release of these deviations (special release) from us in text form. The supplier must therefore apply to us for special approval in text form in good time when the deviation is detected. Upon delivery, it must be ensured that the goods delivered with an approved deviation are marked accordingly on the packaging units and on the delivery bill. If the supplier discovers deviations from specified characteristics and values after delivery of the products, the supplier is immediately obliged to inform us in text form about the facts in order to be able to initiate appropriate measures. Furthermore, the supplier must demonstrably initiate measures to ensure that products conforming to specifications are delivered again after the expiry of the temporarily approved deviation. Records of the entire process (error detection, cause identification, corrective measures, effectiveness review) must be kept by the supplier and presented to us on request. All suggestions for changes submitted to us will be reviewed internally and any necessary changes or additions to the specification documents resulting therefrom will be determined or introduced. Under no circumstances may process changes be implemented by us without our request and approval in text form.

9. Delivery/service not in accordance with the contract, examination of defects, statute of limitations, recourse

9.1 If the supplier does not properly fulfil a contractual obligation incumbent on him in accordance with the agreements made or statutory requirements, we shall be entitled to the statutory claims without restriction. This shall apply in particular if the performance owed is not, not in time or is defective.

9.2 The supplier shall transfer the goods free of material defects and defects of title. In the event of material defects and defects of title, the statutory provisions shall apply unless otherwise agreed in the following. We shall be entitled to demand subsequent performance from the Supplier, to withdraw from the contract, to reduce the purchase price or to claim damages or reimbursement of futile expenses in accordance with the statutory provisions. Within the scope of subsequent performance, we are entitled to demand either removal of defects or delivery of a defect-free item from the supplier. The Supplier is obliged to bear all expenses necessary for the purpose of remedying the defect, replacement delivery or damage, in particular transport, travel, labour and material costs as well as installation and removal costs. If the supplier does not remedy the defect or make a replacement delivery within a reasonable period of time set by us, or if such remedy or replacement delivery fails, we shall be entitled to withdraw from the contract and to demand damages instead of performance.

9.3 In urgent cases, in particular in the event of imminent danger, for example to avert acute danger or to avoid major damage, we shall be entitled to remedy the defect ourselves or have it remedied by third parties at the Supplier's expense.

9.4 In the absence of agreements in quality assurance agreements, the deliveries shall be inspected by us within a reasonable period of time for obvious deviations in quality or quantity as well as transport damage. If a quality assurance agreement exists, the supplier shall be obliged to inspect - we shall only carry out a minimum inspection based on the delivery bill and for transport damage.

9.5 A notice of defects by us shall in any case be deemed to be in time if it is received by the supplier within a period of 7 working days, calculated from receipt of delivery or, in case of hidden defects, from their discovery. In this respect, the supplier waives the objection of delayed notification of defects. In the case of transitory transactions, the complaint of the customer shall be taken into account. In the event of a complaint, we reserve the right to charge the supplier for the costs incurred in connection with the notification of defects. The supplier shall bear the costs and risk of returning defective delivery items.

9.6 For the product delivered by the Supplier or for the services rendered by him for us, our claims for material defects shall become statute-barred 36 months after delivery of the products or after proper performance of the services. The Supplier shall agree with its business liability insurer on the recording of this limitation period.

9.7 In the event of defects of title, the supplier shall indemnify us against claims of third parties. With regard to defects of title, the limitation period contained in clause 9.6 shall apply accordingly.

9.8 For parts repaired or repaired within the limitation period of our claims for defects, the limitation period shall start anew at the time when the supplier has completely fulfilled our claims for subsequent performance.

9.9 If we take back products manufactured and/or sold by us as a result of the defectiveness of the subject matter of the contract delivered by the Supplier, or if the purchase price was reduced in relation to us because of this, or if claims were made against us in any other way because of this, we reserve the right of recourse against the Supplier, whereby it is not necessary to set an otherwise necessary deadline for our rights in respect of defects.

9.10 We are entitled to demand compensation from the supplier for the expenses which we had to bear in relation to our customer because the latter has a claim against us for reimbursement of the expenses necessary for the purpose of subsequent performance, in particular transport, travel, labour and material costs as well as installation and dismantling costs.

9.11 Notwithstanding the provisions in Clause 9.6, the limitation period in the cases of Clauses 9.8 and 9.9 shall commence at the earliest 2 months after the point in time at which we have satisfied the claims made against us by our customer, but at the latest 5 years after delivery by the Supplier.

9.12 If a material defect becomes apparent within 6 months of the passing of risk, it shall be assumed that the defect was already present at the time of the passing of risk, unless this assumption is incompatible with the nature of the defect.

10. Product liability, insurance cover

10.1 The Supplier shall indemnify us against all claims for compensation by third parties arising from product and manufacturer liability for damage if and to the extent that the cause of such damage lies within the Supplier's sphere of control or organization and the Supplier itself is liable to third parties.

In such cases of damage, the supplier is also liable for the costs of a recall action that becomes necessary and for those compensation payments (including the costs required for appropriate legal prosecution), which we have agreed to provide out of court to the third party, taking the interests of the supplier into account. Other statutory claims shall remain unaffected. The Supplier shall also assume all costs of measures taken to eliminate defects (including precautionary measures), in particular on the basis of our product observation obligation. The supplier shall agree with his insurer on the co-insurance of this indemnity within the scope of his business liability insurance.

10.2 The Supplier undertakes to maintain business and product liability insurance with a lump sum coverage of at least EUR 5 million for personal injury and property damage. Furthermore, the cover must also extend to damages abroad in deviation from the General Terms and Conditions of Insurance for Liability Insurance (AHB). The supplier must inform us of any exclusions for the USA/Canada coverage. The scope of this insurance must extend to the forms of coverage of the so-called extended product liability insurance (ProdHV) including insurance of personal injury and property damage due to the lack of assured properties of the delivery item, connection, mixing and processing of the delivery products, further processing and treatment, dismantling and installation costs, scrap production by machines as well as a testing and sorting costs clause. The sum insured for these damages must also be at least EUR 2 million. Upon request, the supplier shall provide us with a corresponding confirmation from the insurer (certificate of insurance) as well as proof that this insurance cover is maintained during the business relationship with us.

11. Property rights, exemption

11.1 The Supplier warrants that the delivery item and its presentation comply with the provisions that exist for the operation or use of such items, irrespective of whether these provisions are derived from European law, statutes, official regulations or commercial practice. In doing so, he shall indemnify us against all claims under public and private law arising from violations of these regulations.

11.2 The Supplier warrants that in connection with its delivery and through the use of the delivery item by us as well as the passing on of the delivery item by us to intermediaries or end customers as well as the use of the delivery item at the intermediary or end customer does not violate any third-party industrial property rights. If claims are made against us by a third party for this reason, the supplier is obliged to indemnify us from these claims on first request.

11.3 In the event of the use of third party industrial property rights on the basis of license agreements concluded by the supplier, the supplier shall ensure that, upon delivery to us, all industrial property rights associated with the delivery item are exhausted worldwide, including in the event of further processing or modification by us or by intermediaries or end customers. Furthermore, the supplier must ensure that the use of the delivery products is permitted in all countries in which corresponding industrial property rights exist. We have a right of joint use free of charge of his property rights and those licensed by him to the extent of the delivered products. The supplier's obligation to indemnify us refers to all expenses incurred by us from or in connection with the claim by a third party.

12. Force majeure

War, civil war, export or trade restrictions due to a change in political circumstances, as well as strikes, lockouts, operational breakdowns, operational restrictions, epidemics and pandemics and similar events that make it impossible or unreasonable for us to fulfil the contract shall be considered force majeure and shall release us from the obligation to accept delivery in due time for the duration of their existence. The suppliers are obliged to adjust their obligations to the changed contractual relationships in good faith after being informed by us. If the force majeure is of not inconsiderable duration, i.e. has already lasted for at least 2 weeks without interruption, we are entitled to withdraw from the contract if it results in a considerable reduction of our requirements. This is especially the case if our demand is reduced by more than 30%. The supplier shall not be entitled to claim compensation for the damages caused by such a reduction.

13. Business secrets

13.1 The supplier undertakes to keep all information from the business relations with us **strictly** confidential, unless it is generally known, legally acquired from third parties or independently developed by third parties and to use it exclusively to the extent necessary for the handling of the business relations with us. The protected information includes in particular technical data, purchase quantities, prices, as well as information about products and product developments, about current and future research and development projects and all company data concerning us.

13.2 Furthermore, the supplier is obliged to keep all illustrations, drawings, calculations, samples and other documents received strictly confidential and to disclose them to third parties in text form only with our express consent, unless the information contained therein is generally known.

13.3 The supplier shall place subcontractors under a corresponding obligation. The obligations of this Clause 13 shall continue to apply after the termination of the contract.

14. Order forwarding

The passing on of the order or essential parts thereof to third parties without our prior consent in text form is not permitted and entitles us to withdraw from the contract in whole or in part and to claim damages.

15. Right of withdrawal in case of deterioration of assets

If, after the conclusion of the contract, a significant deterioration in the financial circumstances of the Supplier occurs and if this jeopardizes the enforcement of our contractual and statutory claims against the Supplier, we shall be entitled to withdraw from the contract in whole or in part. A deterioration of the financial circumstances is given in particular if individual compulsory executions are carried out against the supplier, the supplier is refused the granting of an important credit, payments are stopped, or insolvency proceedings are applied for against the supplier's assets.

16. Place of jurisdiction, place of performance, other final provisions

16.1 Place of jurisdiction is our registered office, currently Schorndorf. We may also sue the supplier at the court having jurisdiction for his registered office.

16.2 Unless otherwise stated in the order, our registered office shall also be the place of performance for both parties.

16.3 The law of the Federal Republic of Germany shall apply exclusively to all legal issues between the Supplier, even if the Supplier's registered office is abroad, and us, excluding the conflict of laws and the United Nations Convention on Contracts for the International Sale of Goods (CISG).

16.4 Should individual provisions or regulations of these GPC be or become legally invalid, ineffective or impracticable in whole or in part, this shall not affect the remaining terms and conditions or regulations. The same shall apply if it should transpire that the contract contains a loophole. Rather, in place of the invalid or unenforceable provision or in order to fill the gap, a provision or regulation which corresponds or at least comes as close as possible to the purpose of the provision or regulation shall apply, which the parties to the contract would have agreed to in order to achieve the same or as similar a contractual result as possible if they had been aware of the invalidity or incompleteness of the provision or regulation. If the invalidity of a provision or regulation is based on a measure of performance or time (deadline or period), a legally permissible measure shall take its place. The contractual partners are obliged to make any necessary changes by formally amending the wording of the contract.

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